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Message Text

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PAGE 01 BEIRUT 03288 211959Z

61
ACTION NEA-12

INFO OCT-01 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00 DOTE-00

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R 211506Z MAR 74
FM AMEMBASSY BEIRUT
TO SECSTATE WASHDC 7014

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EO 11652: N/A
TAGS: ETRN LE
SUBJECT: CIVIL AIR DEVELOPMENTS: US-LEBANON

REF: STATE 046929

SUMMARY: TMA PRESIDENT ABU HAIDAR REVIEWED GOL-US CIVIL AIR MATTERS WITH THE AMBASSADOR. DISAPPOINTED WITH US ATTITUDE ON FIFTH FREEDOM RIGHTS FOR TMA, ABU HAIDAR PLANNING TO SKIP US ON WESTBOUND RTW FLIGHTS AND TO PHASE OUT US GRADUALLY FROM ROUTHBOUND RTW FLIGHTS. URGES EARLY NEGOTIATION OF NEW CIVIL AIR AGREEMENT. FOLLOWING SUBMISSION OF MODESTLY AMENDED "SUMMER" SCHEDULE BY PAN AM, LATTER NOW SUBMITTING ORIGINAL CONTROVERSIAL SCHEDULE. WE FEAR FOL MIGHT REACT BY DECLARING SUCH A SCHEDULE SUBSTANTIVE IN NATURE AND, THEREFORE, SUBJECT TO NEGOTIATION. END SUMMARY.

1. FOLLOWING ARE MAIN POINTS OF LENGTHY REVIEW OF US-LEBANESE CIVIL AIR MATTERS GIVEN BY TMA PRESIDENT ABU HAIDAR DURING COURTESY CALL ON AMBASSADOR:

A. LEBANESE SIDE GREATLY DISAPPOINTED BY RECENT CIVIL AIR TALKS IN WASHINGTON. TMA HAD HOPED TO BE GRANTED AT LEAST ENOUGH FIFTH FREEDOM RIGHTS ON
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PAGE 02 BEIRUT 03288 211959Z

WESTBOUND FLIGHT TO COVER EXHORBITANT RISE IN FUEL

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

PRICES, PARTICULARLY AT NEW YORK. (ABU HAIDAR WAS VERY CRITICAL OF PRICING POLICIES OF MAJOR OIL COMPANIES.) IT WILL NO DROP NEW YORK STOP TO SAVE FUEL COSTS AND FLY DIRECTLY FROM EUROPE TO ANCHORAGE.

B. STATEMENTS ON THE RECORD MADE RECENTLY IN WASH-INGTON CONFIRM BELIEF THAT FIFTH FREEDOM RIGHTS FOR TMA ON EASTBOUND RTW FLIGHTS BY NO MEANS CERTAIN BEYOND 1976. TMA PLANS, THEREFORE, TO ACT ACCORDINGLY AND PUT THROUGH A GRADUAL CHANGE ON EASTBOUND FLIGHTS TO ELIMINATE US STOPOVER.

C. CIVIL AIR POLICY IN LEBANON IS DETERMINED BY THE TWO LOCAL AIRLINES. WHEN THEY ARE IN AGREEMENT, THERE ARE NO PROBLEMS. WHEN THERE IS DISAGREEMENT, THE ONE WITH THE MOST POLITICAL INFLUENCE AT THE TIME WINS OUT.

D. PAN AM HAS BEEN COMPLETELY INEFFECTUAL AS A LOBBYIST FOR TMA IN WASHINGTON.

E. ALTHOUGH TALKS ON NEW AIR AGREEMENT DO NOT HAVE TO BEGIN BEFORE SEPTEMBER 1975, IT WOULD BE IN MUTUAL INTEREST OF LEBANON AND US TO START THESE TALKS NEXT MAY OR JUNE.

2. COMMENT:

A. ABU HAIDAR'S REMARKS, ALTHOUGH OBVIOUSLY TACTICAL IN NATURE, ARE NOT WITHOUT CERTAIN OMINOUS OVERTONES AND COME AFTER A PERIOD OF SILENCE PROBABLY RESULTING FROM A MISUNDERSTANDING OF PAN AM'S INTENTIONS. FOLLOWING WASHINGTON CIVIL AIR DISCUSSIONS, PAN AM SUBMITTED "SUMMER"SCHEDULE REFLECTING ONLY MINOR CHANGES OVER PRESENT SCHEDULE. GOL BELIEVED, THERE-FORE, THAT ORIGINAL OBJECTIONABLE SCHEDULE HAD BEEN WITHDRAW. PAN AM NOW INFORMS US, HOWEVER, THAT "SUMMER" SCHEDULE IT SUBMITTED WAS VALID ONLY TO JUNE AND THAT ORIGINAL SCHEDULE IS BEING SUBMITTED AFTER ALL, WITH AN EFFECTIVE DATE FROM JUNE ON. WHETHER THIS LATEST MOVE BY PAN AM WAS TACTICAL OR LIMITED OFFICIAL USE

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PAGE 03 BEIRUT 03288 211959Z

WHETHER IT REPRESENTS JUST ANOTHER INDICATION OF THE INTERNAL DISPUTE OVER SCHEDULES IS NOT CLEAR, BUT ONCE IT BECOMES GENERALLY KNOWN WE FEAR THAT SOME SORT OF RETALIATION WILL BE TAKEN BY THE LEBANESE SIDE. (THE HIGH AVIATION COUNCIL IS TO MEET SHORTLY.)

B. AS PREVIOUSLY NOTED, WE CANNOT, OF COURSE, PREDICT WHAT THE GOL REACTION WILL BE PRECISELY, AND, FOR WHAT

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

IT IS WORTH, THE FOREIGN OFFICE HAS ASSURED US THAT
THE GOL WOULD REMAIN WITHIN THE FRAMEWORK OF LEGALITY.
ONE MIGHT ASSUME, THEREFORE, THE POSSIBILITY OF
RECEIVING THE REQUIRED YEAR'S NOTICE CANCELLING THE
PRESENT CIVIL AIR AGREEMENT. HOWEVER, WE UNDERSTAND
THAT A PARLIAMENTARY DECISION WOULD BE REQUIRED FOR
SUCH NOTICE TO BE SERVED. BUT, AS SUCH A STEP WOULD NOT
BE POLITICALLY FEASIBLE, IT IS POSSIBLE THAT LESS CUMBERSOME
(AND PERHAPS LESS CLEARLY LEGAL) ACTION MIGHT BE TAKEN.
WE HAVE IN MIND GOL'S DECLARING THAT THE ORIGINAL CON-
TROVERSIAL SCHEDULE REPRESENTS A SUBSTANTIVE CHANGE
AND, THEREFORE, REQUIRES NEW NEGOTIATIONS. THIS WOULD
BE THE GOL'S LEGAL POSITION WHILE OURS, OF COURSE, WOULD
BE THE OPPOSITE. YET IT WOULD BE SUFFICIENT TO THWART
IMPLEMENTATION OF THE NEW SCHEDULE AT LEAST UNTIL THE
LEGAL DIFFERENCES WERE SETTLED. (WE RECALL THE CASE
OF THE IPC REFINERY WHEN THE GOL SAID IT HAD THE LEGAL
RIGHT TO TAKE OVER THE REFINERY AND WE MAINTAINED IT
DID NOT. WHILE THE DISPUTE IS BEING SETTLED, THE GOL
HAS THE REFINERY.)

C. IN OUR JUDGEMENT, ABU HAIDAR'S MESSAGE SEEMS QUITE
CLEAR. WITHOUT MORE CONCESSIONS RE FIFTH FREEDOM
RIGHTS (OR AT LEAST THE POSSIBILITY OF OBTAINING SUCH
CONCESSIONS EITHER UNILATERALLY OR THROUGH RENEGOTIA-
TION OF THE AIR AGREEMENT), TMA WILL ELIMINATE THE US
FROM ITS RTW SCHEDULES, LEAVING US IN A SITUATION
WHERE A US AIRLINE SERVES LEBANON AND NO LEBANESE AIRLINE
SERVES THE US. UNDER SUCH CIRCUMSTANCES, THE GOL WOULD
HAVE LITTLE SELF INTEREST IN MEETING US REQUIREMENTS.
A MORE CONCILIATORY STANCE ON THE PART OF THE US, HE IMPLIES,
COULD PREVENT THIS AND BE OF BENEFIT TO ALL CONCERNED.
WE CONCUR HIS JUDGMENT.
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